

***Riverside LAFCO has initiated a municipal service review for the healthcare districts in the County. As the first step in the service review process, we ask that you complete the following request for information. Please submit your response to Policy Consulting Associates at the following address no later than February 28, 2020. We welcome either hard copy or digital submittals. Please feel free to contact us with any questions or clarifications. Once we have received the completed questionnaire and the requested documents, we will conduct selected interviews with each district. We will follow up to schedule interviews at your convenience.***

## **INTRODUCTION AND BACKGROUND:**

The Desert Healthcare District & Foundation (District) submits this response to Riverside LAFCO's request for information as part of LAFCO's 2020 Municipal Review of Healthcare Districts in accordance with the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code 56000, et seq.).

In 1948, the Desert Hospital District was formed with the mission of building a hospital to meet the healthcare needs of local residents in Palm Springs and surrounding areas. From 1948 to January 2019, the District was governed by a five-member Board elected by the residents of the communities within its boundaries. With the voter-approved annexation in 2018, the Board has expanded to seven-members.

From 1948 until 1986 the hospital was operated by the District. In 1986 the hospital was leased to Desert Hospital Corporation, a not-for-profit organization formed by local residents to operate the hospital. The Desert Hospital Foundation became a subsidiary of Desert Hospital Corporation and was governed by a community board. The Foundation operated a number of important local healthcare services including Hospice, Desert Health Car, The Smile Factory, and the Susan Jackson Breast Cancer Fund.

In the 1990's, the hospital struggled financially in an increasingly complex and competitive health care environment. In 1997, after careful consideration and a lengthy public process the District Board voted unanimously to enter into a lease of the hospital to Tenet Health Systems (Tenet) for 30 years. Desert Healthcare Foundation was absorbed by the District and its programs were later spun off into existing community-based organizations.

Since 1997, the District Board has pursued its mission to promote good health for its residents through community health initiatives and by providing grants to support non-profit healthcare related organizations. With an operating budget of roughly \$9 million, the District provides funding for community health initiatives and grants of over \$3.5 million annually, and also oversees the 1997 Lease of the Desert Regional Medical Center. The District's grant funding is linked to the fulfillment of a comprehensive strategic plan, which focuses on enhancing and optimizing the health of District residents. The District receives approximately \$6 million of property taxes annually. Additional income comes from medical office building leases, interest on investments, and grants and contributions from other public and private sources.

The District was such a successful model for Healthcare Districts that in 2016, Assemblyman Eduardo Garcia introduced AB 2414, which doubled the size of the District to include the eastern portion of the Coachella Valley. AB 2414 was signed by the Governor in September 2016. In November 2018, the expansion was overwhelmingly approved by the voters of the annexed area. Today, the District boundaries encompass approximately 975 square miles and serve a population of approximately 500,000 residents.

**Contact:**

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1. **Liaison Contact Information:** Please provide the individual who will coordinate your response to the questionnaire and will serve as your liaison with LAFCO for this project. Please also provide a contact for financial questions.

	Primary Liaison	Finance
Name	Chris Christensen	Chris Christensen
Title	Chief Administration Officer	Chief Administration Officer
Phone	760-323-6365	760-323-6365
Email	<a href="mailto:cchristensen@dhcd.org">cchristensen@dhcd.org</a>	cchristensen@dhcd.org

2. **Agency Plans:** Please provide a copy of any of the following documents that are relevant to the District or indicate if it can be found on the District’s website:
  - Adopted Budget for FY 19-20 and Budget Forecast (Files 1.1 and 1.2 attached)
  - CAFR for FY 17-18 and 18-19 (Files 2.1 & 2.2 attached)
  - Analysis/forecast of pension and OPEB obligations (Files 3.1 - RPP & 3.2 OPEB attached)
  - Capital Improvement Plan N/A
  - Organizational Charts (File 4.1)
  - Annual Reports (File 5.1)
  - Master Plans N/A
  - Contracts for services from/to other agencies The Desert Healthcare District & Foundation does not provide contract services from/to other agencies. However, the District/Foundation actively address community health and wellness needs through initiatives, grants, and partnerships with other health care providers. A listing is provided in response to questions #4 & 5 below.
  - Strategic Plans (Files 6.1 & 6.2)
  - Development Impact Fee Nexus Studies N/A
  - Each board member name, start date, and term expiration date (File 7.1)

- Policies and Procedures (File 8.1)
- Personnel Policies (included in File 8.1)
- Accreditations (presently completing ACHD certification – submission date March 31, 2020)
- Bond Statements after 2010 N/A
- Grand Jury report after 2010 requiring agency response N/A
- Other: N/A

3. **Services Provided:** Describe in detail all services offered by the District, including the facilities owned and operated by the District, the types of services offered at each facility, and the capacity (i.e., number of beds).

While the District does not specifically provide services, the District has taken a leadership role in addressing health care needs through its initiatives, grant program, and partnerships with other health care providers (see response to questions #4 & 5). Moreover, while the District is no longer responsible for operating Desert Regional, the hospital is still owned by the District and is the most important asset providing hospital services to the community. Pursuant to the 1997 Lease, the District Board retains significant oversight responsibilities and must ensure that Tenet maintains the hospital in good condition, that the hospital has appropriate accreditations, valid licenses, and is adequately insured. Keeping the hospital in good condition includes compliance with California's Hospital Seismic Safety Law (SB 1953).

This oversight of the 1997 Lease of Desert Regional is an essential component of the District's mission to protect and enhance its assets. Over the last 23 years, through this public/private partnership, Tenet has invested over \$165 million into the hospital including capital upgrades and improvements in technology and equipment. Because Tenet is a for-profit corporation, Desert Regional has paid over \$50 million in property and sales tax and invested over \$7 million in sponsorships to various community organizations.

As a 387-bed acute-care hospital, Desert Regional provides comprehensive medical care to residents throughout the Coachella Valley that includes the only designated trauma center serving patients across an 8,000 square-mile region from the San Gorgonio Pass to the Arizona border, as well as the Coachella Valley's only neonatal intensive care unit. The Institute of Clinical Orthopedics and Neurosciences at Desert Regional features advanced brain and spinal care treatment and rehabilitation. Also included at Desert Regional is an expanded, Certified Comprehensive Stroke Center which includes new technology and a new medical fellowship program. Desert Regional also has a state-of-the-art Linear Accelerator for Radiation Therapy in Cancer Treatment and has the Coachella Valley's only Joint Commission-certified program in hip and knee replacement. Desert Regional's Advanced Congestive Heart Failure Program is the only robotic system for the treatment of atrial fibrillation and other heart disorders in the Coachella Valley.

Other serious health illnesses that are addressed at Desert Regional include the Comprehensive Cancer Center, El Mirador Imaging Center, the Pulmonary Laboratory,

the Center for Weight Management, and inpatient and outpatient rehabilitation services. An outpatient Surgery Center is also housed in the El Mirador Medical Plaza.

Pursuant to the terms of the 1997 Lease, Tenet has a number of options to terminate or abandon the Lease prior to expiration, including an option to terminate if seismic upgrades exceed \$12.5 million. In the event Tenet elects to terminate or abandon the Lease, the District will be legally obligated to reimburse Tenet for prepaid rent. However, through the stewardship of the District Board, this original \$92 million obligation has been reduced to \$2.9 million as of January 2020. In addition, the District is obligated to pay the fair market value of unamortized improvements that Tenet has made to the hospital which is currently estimated to be \$50 million. Moreover, to continue to operate Desert Regional, the District will need to finance a minimum of 90-days' working capital (approximately \$105 million) to keep the hospital operating. In addition, there will also be significant capital improvements needed to comply with the 2030 seismic requirements. In this regard, the hospital's North Wing and East Tower have both been re-evaluated under HAZUS to SPC-2 ratings – giving the hospital until January 1, 2030, to be brought into compliance. The District commissioned a comprehensive Seismic Evaluation and Compliance Planning Study in January 2019 and it is estimated that seismic compliance costs would range from \$119 to \$180 million.

In July 2019, Tenet provided the District with a proposal to purchase Desert Regional for \$120 million with the commitment to comply with the 2030 seismic regulations and a commitment to making future investments in healthcare services and capital projects over the next eight (8) years. The District Board reviewed and received public input regarding the proposal at a public meeting and recommended that the proposal be resubmitted with more substantial financial consideration as well as specifics of the future configuration of Desert Regional and more specifics of the investments of healthcare services and capital projects in the entire Coachella Valley. Pursuant to the applicable provisions of the Health and Safety Code, any sale of Desert Regional would be subject to a majority of the voters of the whole District.

The District also owns and operates the Las Palmas Medical Plaza (Las Palmas). Las Palmas is an approximately 50,000 square foot professional medical office complex. Las Palmas, located adjacent to Desert Regional Medical Center, is home to several providers of medical services to District residents. Some of the provider services include a 13,000 square foot family medical clinic, pharmacy, labs, urology, ob/gyn, cardiology, surgery, and other specialists.

The District is also the owner of the Wellness Park, which is a 5.5 acres park located across the street from Desert Regional. This relaxing neighborhood park is maintained by the City of Palm Springs under a lease with the District and consists of walkways, landscaping, a fitness course, park benches, and water fountains.

4. **Contract Service to Other Agencies:** Does the District provide contract services to other agencies? If so, please describe. (see response below 5)

5. **Contracts for Services:** Does the District receive contract services from another agency? If so, please describe. (**see response below**)

While the District does not provide contract services to other agencies or receive contract services from other agencies, as requested in question numbers 4 and 5, the District actively addresses community health and wellness needs through initiatives, grants and partnerships with other health care providers.

The District works with local nonprofit organizations, school districts, governmental agencies and foundations to improve the health and wellness of individuals, families, neighborhoods and communities throughout its service area. The District has taken a leadership role in the collective efforts in the areas of access to healthcare, medically underserved populations, shortage of healthcare workers, health disparities, homelessness, behavioral health, socioeconomic determinants of health, and public health issues.

**Since 1998, the District has invested more than \$70 million in initiatives, grants and programs serving and benefiting its residents.**

One of the largest District initiatives in the last two years has focused on the Homelessness Initiative, and in conjunction with the efforts conducted by the Coachella Valley Agency Governments (CVAG), the District has allocated funding of up to \$3 million in matching challenge grants to local cities in the Coachella Valley.

In addition, another major initiative in recent years has been the District's focus on improving access to primary care, particularly in underserved areas of the District. The District was instrumental in helping make the UCR Medical School and Family Residency Program possible. The first group of family practice residents arrived at Desert Regional Medical Center in 2014.

Today there are residency programs in Internal Medicine, Neurosurgery, and Emergency Medicine with more in development. Ten family medicine physicians are now in place. Sixteen medical students are serving residents through their rotations at hospitals and community health centers. And, thanks to the District, a new 13,000 square foot UCR primary care clinic is open with physicians seeing hundreds of patients, regardless of ability to pay.

District funding has also helped create a number of new and expanded clinics to increase access to care, including dental and family care clinics in Desert Hot Springs, Cathedral City and Palm Springs. The number of dental providers who accept MediCal and new patients has doubled. The District has also provided funding to more than double the size of the Borrego Health family care clinic in Cathedral City, as well as added mobile clinic outreach to remote areas to serve the disadvantaged and those most in need.

The Desert Healthcare Foundation is an important partner in implementing programs to promote access to care. The Foundation has been particularly successful in identifying

gaps and working with community partners to develop programs and services to address community health needs and leverage resources to increase both reach and impact.

More than three decades ago, the Foundation launched a free breast screening program, now operated by the Desert Cancer Foundation. The Foundation also created the Smile Factory mobile dental clinic that visits local schools to provide free and reduced cost dental screening and treatment, now operated by Borrego Health. With funding from the California Endowment, the Foundation created the Health Access Resource Center (HARC) to launch the triennial community health survey to identify health status and priority needs. The District continues as its major funder to this day.

The District partners with more than 35 community-based agencies and organizations, the three Coachella Valley school districts, the College of the Desert, University of California, Riverside, California State University, San Bernardino, Loma Linda University, the three Valley hospitals, local and regional government agencies, and state and national foundations, including the California Endowment. Other nonprofit organizations that have partnered with the District on projects include: Borrego Community Health Foundation, Clinicas de Salud, Catholic Charities, Planned Parenthood of the Pacific Southwest, Boys and Girls Club of Palm Springs and YMCA of the Desert. Examples of partnerships and funding support include, but are not limited to, the following:

- Act for Multiple Sclerosis, two-year, \$368,228 grant for program offering strength training and professional therapeutic massage to maintain mobility for Coachella Valley residents. Services provided at designated local facilities, and in-home when necessary.
- Angel View, two-year, \$144,600 grant to support at least 25 families with special needs children in the Coachella Valley and High Desert, including transportation and case management.
- Arrowhead Neuroscience Foundation, two-year, \$373,540 grant for a fellowship program in interventional neurology to train the next generation of physician sub specialists at Desert Regional Medical Center's Advanced Comprehensive Stroke Center. The Foundation, based at Arrowhead Regional Medical Center in Colton, researches cures for stroke, brain tumors, Alzheimer's, Parkinson's and other conditions that alter brain and spinal cord function.
- Boys and Girls Club of Cathedral City, \$150,000 for clubhouse improvements. This non-profit provides all day after school care, including transportation from schools, for 700 youth members in Cathedral City and neighboring areas. Programs promote academic success, healthy lifestyles, good character and citizenship.
- CVAG, \$10 million for support of CV Link, a 52-mile alternative transportation corridor along the Whitewater River for bicyclists, pedestrians and low-speed electric

vehicles. Corridor will connect all nine Coachella Valley cities, providing a safe route to schools, improved air quality and healthier lifestyles.

- Coachella Valley Economic Partnership, three-year, \$500,000 for CV/iHub Accelerator Campus, an incubator that provides office space, administrative support and incentives to start-up businesses focused on medical technology, clean technology and renewable energy. An innovation hub is planned for the eastern Coachella Valley with an emphasis on advanced manufacturing.
- Coachella Valley Economic Partnership, two-year, \$737,900 grant for Mental Health College and Career Pathways Development Initiative to increase opportunities for college students from the Coachella Valley to obtain exposure, experience and mentoring to further their health career pursuit and increase their commitment to become health leaders and professionals serving the Valley.
- CV Volunteers in Medicine Clinic in Indio, \$120,798, to provide access to healthcare post-implementation of the Affordable Care Act at Coachella Valley's only free clinic for those without insurance.
- Desert AIDS Project, three-year \$498,625 grant for the Get Tested Coachella Valley, a region-wide, bilingual, public health campaign dedicated to dramatically reducing the spread of HIV by making voluntary HIV testing a routine medical practice and ensuring linkage to care.
- Desert AIDS Project, three-year, \$800,000 grant for sexually transmitted infection clinic at The DOCK in Palm Springs. Services include free HIV testing, and testing and treatment for other diseases, including syphilis, gonorrhea, chlamydia, HPV, and Hepatitis B and C; and well-woman exams; no one turned away for inability to pay.
- Desert Cancer Foundation, \$187,000 for cancer-related medical costs such as outpatient services for uninsured clients, co-insurance, Medi-Cal monthly share of cost, prescriptions, inpatient hospital costs and insurance premiums for about 700 residents within the District.
- FIND Food Bank, \$390,151 for the Hunger to Health program. FIND, based in Indio, is the only regional food bank in Southern California that serves eastern Riverside County and southern San Bernardino County; distributes more than 10 million pounds of food to about 90,000 people per month; works with soup kitchens, senior centers, homeless shelters and schools.
- Health Assessment and Research for Communities, three-year, \$499,955 grant for the Community Health Monitor, a phone survey conducted every three years to gather data on health and well-being in the Coachella Valley. The information is used to design programs and services to meet health needs in the Valley.

- Health Assessment and Research for Communities, three-year, \$11,425 grant for a health evaluation component of @LIKE - the Linking Innovation, Knowledge and Employment program, which reconnects adults ages 18 to 24 to education and/or stable employment.
- HealthCorps, \$555,968 for 24-month support for coordinators to teach wellness-related classes at high-need high schools in the Coachella Valley and give students the tools to make healthier living choices.
- Hidden Harvest, \$102,800 for a produce recovery program that employs low-income farm workers to salvage produce left behind in fields and orchards after harvest. The grant supports free distribution of the produce to senior citizens and families whose children attend schools in high poverty areas in the Coachella Valley.
- Jewish Family Services of the Desert, three-year, \$570,000 grant for mental health counseling services to adults, couples, families, children, adolescents and seniors from throughout the greater Coachella Valley.
- LGBT Center of Palm Springs, three-year, \$140,000 grant for a clinic that provides low-cost counseling for individuals, couples and families.
- Mizell Senior Center, two-year, \$403,300 grant for a fall prevention program for individuals over 50 in the Coachella Valley. The course includes education about falls, support group activities and basic core-strength exercises to maintain health and independence.
- Pegasus Therapeutic Riding Academy, \$102,544 for Hippo Therapy Helping to Heal program, which provides equine therapy and transportation for more than 210 special, needs riders of all ages from across the Coachella Valley.
- Ranch Recovery Centers, \$21,500 to purchase electronic records management system for facilities in Desert Hot Springs that provide alcohol and drug treatment, detox and transition to sober living for men and women.
- United Cerebral Palsy of Inland Empire, two-year, \$178,894 grant for Skill Builders, which offers after-school and summer programs to 66 children across the Coachella Valley to improve socialization, independence, communication, safety and health.
- Visiting Nurses Association of California, \$125,000 for point-of-care McKesson technology upgrade for this non-profit that provides in-home care, palliative services and hospice throughout the Coachella Valley.
- Desert Healthcare Foundation, \$110,000 to develop a strategic plan for the Desert Highland Gateway Community Health & Wellness initiative affecting 800 minority families in north Palm Springs.

- Neuro-Vitality Center, \$261,340 to support operations related to improving the quality of life of individuals and their families living with stroke and related neurological conditions by offering rehabilitation, prevention and resources.
- UC Riverside School of Medicine, \$70,899 for equipment and set-up costs for a volunteer-staffed Street Medicine Clinic offering free primary care to the homeless and underserved in north Palm Springs.
- Well in the Desert, \$44,800 for daily hot meals, emergency food assistance, weekly supplemental food distribution, transportation and other services for the poor in western Coachella Valley.

Additional grant funding has been utilized in the District service area to provide greater opportunities for healthy living through collaborative partnerships and include:

- Working with the City of Desert Hot Springs to design and build a clinic in conjunction with a gym in the Boys and Girls Club. The Desert Hot Springs Health and Wellness Center makes it easy and convenient for families to access health care in their neighborhood, including dental services, medical check-ups, or a healthy workout at the gym.
- Funding a two-year fellowship program at the Comprehensive Stroke Center at Desert Regional Medical Center that has changed the way stroke victims are assessed and treated thus improving their outcomes. Through this program, medical and emergency staff members receive education and training about stroke risks and symptoms.
- Funding certified enrollment counselors to educate and connect residents to affordable insurance and local care.
- Increasing the number of local physicians and enhancing the regional medical workforce by funding UC Riverside Medical School residency programs.
- Fostering the next generation of healthcare workers by financing K-12 school-based health care academies, mentoring, internships and scholarship programs. <sup>[1]</sup><sub>[SEP]</sub>
- Supporting the Health and Medical Innovations Center, which offers a coordinated regional approach to attracting healthcare-related businesses to the Coachella Valley.
- Partnering with the City of Palm Springs for the Ready, Set, Swim! Program, which combines physical activity, nutrition education and water safety for children.
- Supporting CVHip.com – the Coachella Valley Health Information Portal – an online directory of resources such as healthcare, food pantries, recreation and counseling.

The following organizations have also historically been funded by the District and are representative of the services that will be extended to the Annexation Area:

- Arthritis Foundation
- Borrego Community Health Foundation, Cathedral City clinic
- California State University San Bernardino, Palm Desert Campus, health education
- College of the Desert Public Safety Academy
- Desert Healthcare Foundation, Affordable Care Act implementation; Ready, Set, Swim!, CV Health Information Portal
- El Sol Neighborhood Educational Center
- Family Services of the Desert, mental health
- Loma Linda University Institute<sup>[1]</sup><sub>SEP</sub> for Community Partnerships
- Riverside County Office on Aging
- San Geronio Memorial Hospital Behavioral Health Center, Palm Springs
- UC Riverside School of Medicine, Primary Care Residency Program at Desert Regional Medical Center that added family medicine residents to serve the Coachella Valley

**6. Joint Powers Authorities:**

- a. Please list all joint powers authorities (JPAs) or joint decision-making efforts in which the District participates.

The Desert Healthcare District works in collaboration with the Coachella Valley Association of Governments (CVAG). A District Director is a member of the CVAG Homeless Committee, which includes Coachella Valley city leaders, leading an effort to address homelessness in the District. The District has committed grant funding of \$3 million from 2017-2020 towards efforts to meet the needs of the homeless population of the District. The District's CEO and other staff also participate in these meetings.

- b. What is the purpose and primary funding source for each JPA?

The CVAG JPA receives funds from a combination of sales tax, grant funding, and traffic fees.

**7. Agency Participation in Regional Plans and Programs:** Please describe the District's participation in regional plans and programs since 2010.

The Desert Healthcare District has been participating as a major partner in OneFuture Coachella Valley's (originally called Coachella Valley Economic Partnership Workforce Excellence) Regional Plan for College and Career Success since 2012. The plan describes specific strategies to advance college and career readiness for all students, including development of personal graduation plans, strengthening counselor collaboration opportunities, improving the high school graduation rate, and building a locally funded

endowment for the scholarship program and designing outreach strategies for parents and students beginning as early as middle school. The District's partnership entails matching funding for scholarships and building out the healthcare academies and pipelines.

Another regional plan the District has been a major partner in is the Lift To Rise (originally founded as Collaborating for Clients) Regional Plan since 2014. Utilizing a "collective impact" approach, Lift To Rise seeks to address the underlying causes driving a common challenge: resident need was only growing, and the goal is to move beyond stop-gap approaches to increasingly growing disparities. It has been recognized that the challenges District residents face – low incomes, food insecurity, poor health outcomes, and insufficient transportation, health and housing infrastructure – are inherently interconnected, mutually reinforcing, and can neither be understood nor addressed in isolation. The District's partnership entails representation as a "collective impact" participant in various collaborative action networks (CANs).

The Desert Healthcare District is a major partner with Coachella Valley Association of Governments (CVAG) in the development of an updated Health Assessment tool/plan that will determine the long-term health benefits of the CV Link – a 52 mile alternative transportation corridor along the Whitewater River wash for bicyclists, pedestrians and low-speed electric vehicles. Connecting all nine Coachella Valley cities, the corridor will provide a safe route to schools, improved air quality and healthier lifestyles. The District's partnership also entails a \$10 million commitment to the construction of the corridor.

The District is also a major partner in a regional plan to develop and implement an Emergency Communication Plan related to prevention, mitigation, and emergency preparedness related to airborne environmental hazards in the eastern Coachella Valley. The District partnership entails the convening and support of partners, including Riverside County 4<sup>th</sup> District Supervisor V. Manuel Perez, CA Assemblyman Eduardo Garcia, and 36<sup>th</sup> District Congressman Raul Ruiz, MD, as well as funding support to engage a consultant to complete the Emergency Communication Plan.

The District has participated in the regional expansion of two educational institutions, University of California, Riverside, and California State University, San Bernardino. Both universities expanded their campuses to Palm Desert. Supporting these two institutions may help strengthen our work force by adding nurses and physicians. There are on-going conversations that are further expanding these two institutions in the Coachella Valley.

## **8. Governing body:**

- a. How does the District encourage voter participation? Describe any additional outreach efforts to keep constituents/customers apprised of local agency activities.

The District staff and Board members actively support community involvement and voter participation. In the last 30 months, the District has held at least eight (8) meetings throughout the District soliciting public participation in transitioning from an at-large to zone-based elections. Notices of all public meetings are published on the District's website. The public is also encouraged to attend and participate through e-blasts through Constant Contact. The District continually advertises in local publications and newspapers (Desert Sun, etc.) to engage the community. The District, as well as several full-time employees, are well known in the community. In addition, the District is involved in various health fairs and other events promoting the mission of the District. The District has created a website (CVHIP.org) to provide a resource for residents to connect with healthcare resources.

- b. When did board members last receive ethics training?

All Board members are current on ethics and harassment training. The latest training was received in February 2020.

- c. Has each board member filed the required Form 700 Statement of Economic Interest with the Fair Political Practices Commission for 2020?

All Form 700s were filed for 2019. The Board and designated staff are in process of completing the Form 700s for 2020.

## 9. **Customer Service:**

- a. If a customer is dissatisfied with district services, how would that customer submit a complaint?

The District's website includes a "Contact Us" link to leave a message and provides a forum for complaints. Complaints that are received by Board members or that arise during the public comment period at public meetings are referred to the CEO. When Directors or the District receive legal complaints, they are referred to the District's General Counsel. The District has a formally adopted policy to handle complaints which are received and relayed to the Desert Regional Medical Center.

- b. Describe number and type of complaints filed in 2019.

The District received no complaints related to District operations during 2019 and two complaints related to the hospital.

- c. Briefly describe the process for handling a complaint to resolution.

In accordance with District Policy #OP-07, when a complaint is received by either Administration or a Board member, the complaint is referred to the CEO who forwards a copy of the complaint to the CEO and Compliance Officer of the hospital with a request to address the complaint in writing and provide copies to the District

Board of Directors. Hospital Administration reviews the complaint and the response is addressed at a subsequent public Board meeting.

- d. How are complaints tracked to completion?

The complaint is reported at the public Board meetings by the District's CEO and the CEO of hospital.

#### **10. Employee Evaluations:**

- a. Does the District perform regular employee evaluations?

The District performs employee evaluations of all staff, including the CEO.

- b. If so, how often are evaluations completed? Annually

- c. Who performs the evaluations?

The employee's supervisor performs the evaluations. The Chief Administration Officer (CAO) and Chief Program Officer (CPO) evaluate employees in their respective departments. The CEO evaluates the performance of the CAO, CPO, and Assistant to the CEO/Board Liaison. The Board of Directors performs the evaluation of the CEO.

#### **11. Agency-wide Performance:**

Unlike single purpose districts, such as water districts, sanitation districts, and cemetery districts, to name a few, healthcare districts that own, but do not operate their hospitals, are designated as community-based healthcare districts. Most community-based healthcare districts have robust and impactful grant making operations, awarding grant dollars to nonprofit and community-based organizations to provide necessary healthcare services to district residents.

- a. Are the operations and productivity of the various services offered by the District routinely evaluated? (i.e., annual report or by regulating agency)?

The Desert Healthcare District has completed annual reports over the years, reporting out to the community the annual investments the District has made through grant funding to many nonprofit and community-based organizations that serve the healthcare needs of District residents. To further strengthen the evaluation, a Community Health Needs Assessment – Community Health Improvement Plan is in the process and will guide the District's strategic plan and grant awards in the future.

- b. If so, provide examples of how the District evaluates its own performance.

Oversight and evaluation of the Desert Healthcare District's grant investments are vetted through the District's standing committees and the Board of Directors. The

grantee agencies submit progress and final reports and budget reports, delivering the outcomes and measurements of the District's investments in their projects and programs.

- c. What performance measures are used by the District to determine service adequacy? Describe qualitative as well as quantitative measures for each service provided.

As Desert Healthcare District does not provide direct services, but rather funds nonprofit and community-based organizations that do provide various healthcare services, performance measures such as progress and program deliverables and outcomes are utilized to determine the impact on District residents. Also, the District Board of Directors approved a community engagement policy to ensure that key stakeholders across the Coachella Valley have a voice to influence the development of policies and strategies that will affect their lives and inform the way in which District/Foundation services are planned and implemented. The District is committed to engaging with stakeholders and communities and this policy provides the strategic direction to ensure quality interaction and consistent engagement across the spectrum of services our organization provides.

- d. Does the District track the workload handled by agency and its staff? If so, how (i.e., time sheets, logs)?

The District does not track workload handled by the agency and staff.

- e. How are long-term objectives and goals established?

Long term objectives and goals are determined and established by the Board of Directors with input from the CEO and staff. The District's Strategic Plan guides and informs the focus areas for programs and services implementation.

- f. How does the District forecast service needs?

The District forecasts "service needs" or analysis of gaps through various data-driven sources: a regional triennial Community Health Monitor/Survey (HARC – Health Assessment and Research for Communities); previously conducted; Riverside County Health rankings; OSHPD (Office of Statewide Health Planning and Development) and others. The District is in the process of conducting a valley-wide Community Health Needs Assessment (CHNA) and a 10-year Community Health Improvement Plan (CHIP) that will assist the District and all community partners (funders, nonprofits, cities, legislature, etc.) with collaborative goals and objectives in improving the health of the residents of the Coachella Valley.

## 12. Capacity:

- a. Does the District currently have sufficient capacity to provide services to the current district boundaries?

The Desert Healthcare District possesses the staffing capacity to develop continued grant funding opportunities and coordinated efforts to address community health needs. Describe any capacity constraints for each service offered.

- b. Describe any locations within the District's boundaries where the District has difficulty providing adequate levels of service. Identify specific challenges for each service offered.

Residents of various areas of the district, particularly in the eastern Coachella Valley, are significantly underserved. Challenges exist with regard to identifying the gaps in services, facilities and providers in the district boundaries, including additional funding sources for the newly expanded district. The Community Health Needs Assessment and Community Health Improvement Plan will provide clarity in identifying the gaps. Funding sources must be developed to assist in addressing the needs of the expanded district.

- c. Does the District currently have the capacity to provide services to planned development in its future growth area?

Population growth of the district will continue within the current boundaries. Staffing capacity may increase to accommodate the growth. Describe any capacity constraints.

- d. Describe any areas within the District's future growth area where it would have difficulty providing adequate levels of service or that would be particularly expensive to serve.

The District expansion, resulting from AB 2424, more than doubled the service area and population without additional funding sources. As the population of the District increases, increased funding sources will be essential to increase the District's grant funding and coordinated efforts in addressing the healthcare needs of the residents of the growing District.

- e. Do existing or planned facilities duplicate existing or planned facilities of another provider? Is excess capacity available to serve other service providers' customers and eliminate the need for duplicate infrastructure by other agencies?

The Community Health Needs Assessment will identify duplicative healthcare services and/or facilities. The Community Health Improvement Plan will guide the efforts to create efficiencies and collaboration in meeting the healthcare needs of the district.

**13. Growth Areas:** Where is growth concentrated within the District's boundaries?

The District includes the entire Coachella Valley. According to recent demographic studies, the eastern Coachella Valley (eastern side of the District) is expected to experience an increase in future growth from approximately 500,000 presently to 850,000 by the year 2035.

**14. Service and Capital Improvement Funding:**

- a. Is the current funding level adequate to deliver services? If not, describe the financial challenges that the District faces in providing services.

Although the District does not provide services, the District actively addresses community health and wellness needs. Following the 2018 voter-approved expansion of the District boundaries, the service area/population more than doubled. However, the funding sources to address community needs remained unchanged. As a result, the District is tasked with the need to seek additional revenue sources to effectively continue and increase the funding for the initiatives, grants, and partnerships with other healthcare providers.

- b. Describe any efforts by the District to cut costs and/or improve efficiency over the last five years (2015 – 2020).

The District is cost conscious and strives to be efficient in its operations. The District does not run programs. However, the District collaborates with other organizations that leverage District dollars to run programs and services.

- c. Is the District pursuing or considering any new revenue streams? If so, please describe.

The District is presently recruiting a Senior Development Officer to secure funding and resources on an ambitious scale to advance a Collective Impact approach and to assist landmark system change to include foundation, government, and corporate fund raising. Other potential revenue streams include creation of a Community Facilities District (CFD) or Joint Powers Authority (JPA) and future hospital lease revenue.

- d. Is the District's current level of reserves and capital funding adequate to maintain and/or improve infrastructure and public facilities? If not, please describe and indicate any planned measures to address capital improvements.

The District currently maintains a reserve of approximately \$60 million for the purposes of satisfying grant funding obligations and, more importantly, partially funding the operations of Desert Regional Medical Center in the event the current operator was to terminate or default on its lease. Additionally, the District's reserves

may also serve the purpose of partially funding the 2030 seismic retrofit obligations of the hospital.

**15. What are the District’s most recent bond ratings?**

The District has no outstanding bond debt and has not issued bonds since prior to the lease of the hospital in 1997.

**16. Opportunities for Improvement:** Are there currently untapped opportunities for the District to provide services more efficiently or effectively, or to collaborate with other agencies? Yes.

Describe current deficiencies or inefficiencies. Explain how collaboration or other improvements might be warranted. Include projects and/or programs that could also improve efficiency or service delivery.

Currently, there are a number of deficiencies affecting Coachella Valley that require a collective impact approach and reducing some of the chronic inefficiencies that affect our systems of care.

**Homelessness.** There is a high incidence of Homelessness in Coachella Valley. The results of January’s “Point in Time” count is being compiled, but the previous count indicated increases in the number of unsheltered individuals in Riverside County. In the nine Coachella Valley cities, there were 466 individuals counted in 2019, up from 410 individuals counted one year before. The increase in demand for services is worsened by the lack of affordable housing, sufficient homeless shelters, navigation services, and coordination of services. The District approved a Homelessness Initiative which included “The Path Forward” report authored by Barbara Poppe and Associates. As result of this, the District is working with the Office of County Supervisor (4<sup>th</sup> District), the Coachella Valley Association of Government (CVAG) and the nine cities in Coachella Valley to address this complex and pervasive problem which has profound public health and healthcare implications. The District formed a Homelessness Initiative, and allocated funding of up to \$3 million in challenge grants to local communities in the Coachella Valley; and worked with CVAG on Homelessness Collaborative Planning, CV Housing First, the Summer Overnight Cooling Centers programs; and established the Coachella Valley Homelessness Engagement and Action Response Team (“CV HEART”) to form a collaborative effort to combat homelessness and promote better coordination of services across Cities, County agencies, and service providers to identify regional solutions.

CV HEART continually looks to adjust the programs that are offered to best meet the changing needs of the community. At the same time, its member Cities’ jurisdictions have acknowledged that more needs to be done. There is a need for more affordable housing options. According to Lift to Rise — a collaborative that set a goal of bringing an additional 10,000 units in 10 years — a household is considered “rent burdened” if rent comprises more than 30 percent of its total income. Their data shows more than half of the households in the Coachella Valley are rent burdened. This is especially concerning

for lower-income individuals and families, as the research shows 79 percent of households that earn less than \$50,000 per year are rent burdened.

Transportation funding is increasingly being tied to housing programs. This has been seen in a number of grant programs, including the Affordable Housing and Sustainable Communities funding that the City of Coachella was recently successful in securing. Governor Newsom has also shown an interest in making SB 1 gas tax revenue to cities dependent on whether the cities are meeting their goals under the state's Regional Housing Needs Allocation and Housing Mandates (RHNA).

In addition, the District is coordinating with local hospitals, the Inland Empire Health Plan (IEHP), and local shelters to implement and expand recuperative care beds at homeless shelters to provide continued healthcare services to homeless patients upon hospital discharge.

**Behavioral Health.** The existing Behavioral Health System is insufficient due to its fragmentation, lack of infrastructure, few services, and insufficient mental health providers, from psychologists and social workers to psychiatrists and emergency services. In partnership with Riverside County District 4 Supervisor and Riverside University Health Systems (RUHS) Mental Health, the District is a partner of the "Green Ribbon" Committee to address dysfunctions in the Behavioral/Mental Health System in Coachella Valley. The District commissioned a Behavioral Health Needs Assessment that was completed by EvalCorp in the Fall of 2019. The report elevated a number of recommendations, which will be implemented through a collective impact approach. The District has allocated \$2 million to a Behavioral Health Improvement Initiative. To this end, it is hiring a Director-level Senior Program Officer to lead the Initiative, and a Development Officer to promote a Collective Impact approach and pursue additional funding to benefit all service providers in the region.

Additionally, the District is collaborating with UCR School of Medicine and Desert Regional Medical Center to attract culturally competent mental health services providers to serve locally and act as faculty for an upcoming Psychiatry Residency Program that will form specialists for Coachella Valley.

**Environmental Health.** Environmental health challenges have reached, at times, a crisis-level public health hazard. A lack of coordination amongst agencies at County, State, and Federal levels has created confusion and disagreements on what is the appropriate response to emergent environmental hazards. The District just approved facilitating an emergency preparedness plan to address airborne environmental hazards and protect the health of children and families in isolated rural areas of the Coachella Valley. The work is being coordinated with the Offices of Congressman Raul Ruiz, MD, Assemblyman Eduardo Garcia, and County Supervisor Victor Manuel Perez along with Coachella Valley Unified School District, and Sovereign Tribal Nations, especially the Torres Martinez Desert Cahuilla Indians Tribal Council.

Because there is an intersection of healthcare services, public health, and environmental health, the District has met with California Air Resources Board (CARB) and the South Coast Air Quality Management District along with RUHS Public Health to discuss the healthcare needs of Eastern Coachella Valley residents. The District is playing an important role in understanding the needs of the community and informing potential solutions through the implementation of AB 617, a law that directs all local air quality districts to take measures to protect communities disproportionately impacted by air pollution.

**Evidence-based Knowledge and Solutions.** There is a public demand for knowledge and evidence-based solutions to document and address the health impact of local environmental pollutants. The District is partnering with the California Department of Public Health, the Public Health Institute, and the Center for Health Disparities at the University of California Riverside School of Medicine to address this gap in knowledge and devise evidence-based interventions to protect the health of the public and build a better equipped healthcare infrastructure.

**Preventative Care and School-based Healthcare Services.** There are three school districts (Palm Springs USD, Desert Sands USD, and Coachella Valley USD) in the District's catchment area with a captive school-aged population of nearly 70,000. This is a significant sized population with preventative healthcare needs and an insufficient school-based health centers infrastructure. Addressing their needs requires a collaborative approach with each of the school districts, the Department of Education, the RUHS Public Health and Mental Health Departments, local Federally Qualified Health Centers, the School-Based Health Alliance, and other partners.

**Healthcare Workforce Development.** The existing number of primary care doctors, nurses, dentists, dental hygienists, dental assistants, psychiatrists, psychologists, licensed clinical social workers, amongst other healthcare professionals is insufficient to fill available job openings. This fact is worsened when we realize that many of the existing healthcare workers are approaching retirement age. In addition, our population in Coachella Valley is expected to grow at a rate of 3.37% annually and expected to reach 850,000 residents by 2035. Ensuring the supply of healthcare workforce requires a strong strategic partnership with our three school districts, local nonprofits, local healthcare services providers (hospitals and clinics) and institutions of higher education. UCR School of Medicine, Residency Program in Family Medicine, Pediatrics, Psychiatry, Emergency room, Internal Medicine, and OB/Gyn to name a few; California State San Bernardino Palm Desert Campus, College of the Desert, and private education institutions will be required to build a healthcare workers pipeline.

**Expanded Service Areas and its Unmet Needs.** When LAFCO approved the Desert Healthcare District's expansion to serve the entire Coachella Valley it did without approval of additional revenues. The unmet needs and the demand for healthcare infrastructure in the added area are vast. The District has just started a community-driven, community-informed Health Needs Assessment (CHNA), which will result in a 10-year Community Health Improvement Plan (CHIP). These efforts will help determine the

magnitude of the needs throughout the District. At some point, the intervention of LAFCO in helping identify a solution to the funding disparity will be needed.

- 17. Recommendations:** Describe any issues the District would like to see included in this service review and provide relevant background information and staff reports.

Municipal Service Reviews of Healthcare Districts present unique challenges. Healthcare Districts vary significantly from other types of special district's LAFCO customarily reviews. San Diego LAFCO has experience conducting service reviews of local healthcare districts and would be a valuable source to consult regarding the types of issues, background information, and questions that could be used.

Questions related to the District's Grant Program, compliance with AB 2019 and the District's oversight function when expanding public funds might also be valuable.

Furthermore, it is important to acknowledge the evolution and transformation undergone by most healthcare districts. This is the result of new knowledge, evidence-based medicine, technological advances, new payments systems (e.g. managed care), and the general transformation of healthcare in the U.S. The Desert Healthcare District's formation in 1948 responded to a (much smaller) population -around 12,000 residents; a set of needs and demands that were completely different than those we respond to today. Life expectancy was around 67 years, Polio outbreaks were decimating our youth, rudimentary antibiotics had recently been discovered, Medicaid and Medicare did not exist, and long hospital stays were required for surgeries and treatment of infectious diseases. Over the years, the District had to adapt, build on-the-ground partnerships and respond to the HIV/AIDS epidemics; adapt to new ways of healthcare financing; help support a more ambulatory healthcare infrastructure in partnership with federally qualified health center, and rural clinics.

Today the Desert Healthcare District serves a population of nearly 500,000; most of the healthcare is delivered ambulatorily, immunization is universal, life expectancy is nearly 80 years, and school-based and community-based primary care services are a less expensive approach to healthcare delivery. However, racial and ethnic disparities in health outcomes and in access to healthcare services are highly prevalent in our District, especially in the newly expanded areas. These are significant needs the District must address in the years to come and build a larger, more adaptable healthcare infrastructure for a population projected to reach nearly 850,000 over the next few years.